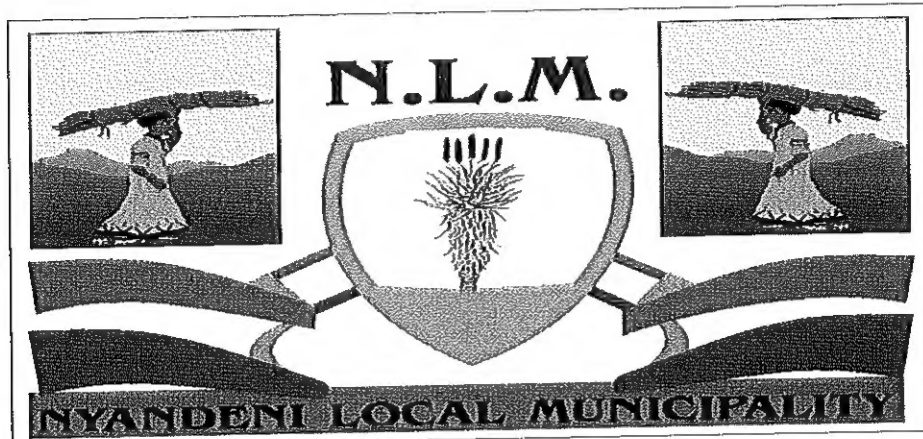


NYANDENI LOCAL MUNICIPALITY



ADJUSTED BUDGET

23 JANUARY 2015

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1.1 MAYOR's REPORT

We are tabling the Budget Adjustment at a crucial time in our country's history, where we are still battling with service delivery backlogs particularly in infrastructure. The Municipality is specifically faced with slow economic growth as well struggling to collect revenue; and is currently dependent on equitable share as the main source of funding.

Some of the challenges that have been experienced in implementing the Service Delivery and Budget Implementation Plan (SDBIP) for 2014/15 include:

- a. Limited budget on repairs and maintenance;
- b. Limited budget on infrastructure;
- c. Lack of progress on implementation of by-laws.

In order to improve operational efficiency, the following areas will be prioritized internally:

- a. Reconciliation of valuation roll and old accounts.
- b. Continue to fast track expenditure on conditional grants
- c. Improving on implementation of by-laws
- d. Fill in the budgeted posts to ensure effectiveness on implementation of the SDBIP.

The Municipality will strive to intensify Performance Management System (PMS) in order to ensure that we meet the objectives and key performance indicators as outlined in our IDP and SDBIP.

1.2 RESOLUTIONS

1.2.1 Council resolves that the adjustment budget of the Nyandeni Local Municipality for the financial year 2014/2015; and indicative for the two projected outer years 2015/16 and 2016/17 be approved as set-out in the following schedules

- 1.1. Table B 1 Adjustment Budget Summary
- 1.2. Table B2 Adjustment Budget Financial Performance by Standard Classification
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- 1.9. Table B9 Asset management

Multi-year Capital Budget

1.2.2 Council resolves that multi-year capital appropriations by vote and associated funding reflected in Schedules B5 be approved.

Property Rates and other Municipal Tax

1.2.3 Council resolves that property rates and any other municipal tax remain unchanged for the budget year 2014/15.

Tariffs and Charges

1.2.4 Council resolves that tariffs and charges remain unchanged for the budget year 2014/15.

Measurable Performance Objectives

1.2.5 Council resolves that the measurable performance objectives for revenue from each source and for each vote reflect the budget adjustments.

Integrated Development Plan

- 1.2.6 Council resolves to continue the implementation of the approved Integrated Development Plan.

Cashflow

- 1.2.7 Council resolves that the reserves remain unchanged for the budget year 2014/2015.

1.3 Executive Summary

This section contains an Executive Summary of the adjustment budget, highlighting the processes which lead to the compilation of the adjustment budget.

1.3.1 Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2014/15 financial year:-

- To ensure sound governance practices within Nyandeni Local Municipality
- To provide sound governance for local communities through public participation
- To provide sustainable services to all inhabitants of the municipality
- Economic Growth that lead to sustainable job creation
- Institutional Development and Organisational Transformation
- Financial Viability and Management

1.3.2 Key Performance Indicators

For the 2014/15 budget year, the following objectives and key performance indicators still remain for the 2014/15 financial year:-

Financial Viability

- To ensure effective Debtors management
- To increase revenue by 5%
- To ensure effective Budget management
- To ensure proper management of municipal assets
- To ensure proper SCM procedures
- To ensure compliance with relevant legislation and regulations

Infrastructure and Service Delivery

- To construct and maintain roads to service centres and economic development nodes
- To improve livelihoods in urban centres through infrastructure development
- To improve storm water system so as to achieve life span of road network
- To provide electricity to all outstanding households and new settlements
- To facilitate provision of access to Portable water and Sanitation to all communities
- To provide and maintain local amenities and community facilities
- To improve accessibility of communities through safe bridges

Institutional Transformation and Development

- To ensure effective compliance and sound management practices within the institution
- To ensure alignment of the Organogram with the assigned powers and functions
- To provide a tool for evaluating individual performance
- To ensure that all employees have the required competency levels
- To provide opportunities to new entrants to the labour market

Good Governance

- To ensure effective public participation in our processes of decision making
- To improve municipal planning, policy development, and management policy implementation
- To develop a long term vision for Nyandeni Municipal Area
- To ensure meaningful participation by all spheres of government for seamless delivery of services
- To monitor internal controls and provide advice to management and council
- To identify, access and mitigate municipal risk
- To provide a tool for measuring achievement of predetermined objectives

Local Economic Development

- To promote entrepreneurship and increase to markets

1.3.3 Section 72 Mid-year Performance Assessment Report

Introduction

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—
- (a) assess the performance of the municipality during the first half of the financial year, taking into account—
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
 - (b) submit a report on such assessment to—
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.

- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- (3) The accounting officer must, as part of the review—
 - (a) make recommendations as to whether an adjustments budget is necessary;
and
 - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

1.3.4 Preparation of the Mid-year Assessment Report

A mid-year assessment was carried out and a report submitted to the Honourable Mayor and Council during January 2015. Set out below is a summary of the report and findings submitted by the Municipal Manager.

1.3.5 Analysis of operating revenue

EC155 Nyandeni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

| Description | 2013/14 | Budget Year 2014/15 | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | 5 259 | 5 005 | 5 005 | 200 | 1 129 | 2 502 | (1 373) | -55% | 5 005 |
| Service charges | 178 | 200 | 200 | 11 | 50 | 100 | (50) | -50% | 200 |
| Investment revenue | 4 743 | 5 000 | 5 000 | 251 | 2 445 | 2 500 | (54) | -2% | 5 000 |
| Transfers recognised - operational | 157 576 | 173 502 | 183 230 | - | 136 972 | 91 615 | 45 357 | 50% | 183 230 |
| Other own revenue | 4 906 | 22 840 | 27 153 | 302 | 11 803 | 13 577 | (1 769) | -13% | 27 153 |
| Total Revenue (excluding capital transfers and contributions) | 172 663 | 208 547 | 220 588 | 764 | 152 405 | 110 234 | 42 111 | 38% | 220 588 |
| Employee costs | 79 529 | 80 928 | 80 928 | 8 291 | 42 129 | 40 424 | 1 705 | 4% | 80 928 |
| Remuneration of Councilors | 15 933 | 16 174 | 16 174 | 1 347 | 8 142 | 8 087 | 55 | 1% | 16 174 |
| Depreciation & asset impairment | 30 481 | 34 598 | 34 598 | - | - | 17 268 | (17 268) | -100% | 34 598 |
| Finance charges | 140 | 105 | 105 | 3 | 42 | 53 | (11) | -20% | 105 |
| Materials and bulk purchases | 4 463 | 16 846 | 20 646 | 328 | 5 658 | 10 323 | (4 665) | -45% | 20 646 |
| Transfers and grants | - | 3 720 | 3 720 | 385 | 900 | 1 050 | (950) | -90% | 3 720 |
| Other expenditure | 79 741 | 66 495 | 158 837 | 8 191 | 63 229 | 77 669 | (14 440) | -18% | 158 837 |
| Total Expenditure | 210 336 | 218 865 | 315 007 | 18 545 | 120 100 | 155 712 | (35 612) | -23% | 315 007 |
| Surplus/(Deficit) | (37 674) | (12 318) | (94 419) | (17 782) | 32 305 | (45 419) | 77 723 | -171% | (94 419) |
| Transfers recognised - capital | 48 568 | 60 324 | 56 324 | - | 42 350 | 28 162 | 14 228 | 51% | 56 324 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 10 892 | 48 006 | (38 095) | (17 782) | 74 655 | (17 257) | 91 951 | -533% | (38 095) |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 10 892 | 48 006 | (38 095) | (17 782) | 74 655 | (17 257) | 91 951 | -533% | (38 095) |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 65 660 | 86 102 | 67 102 | 3 553 | 32 563 | 33 683 | (1 100) | -3% | 67 102 |
| Capital transfers recognised | 65 660 | 86 102 | 67 102 | - | 45 768 | 33 551 | 12 217 | 36% | 67 102 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | - | - | - | - | - | - | - | - |
| Total sources of capital funds | 65 660 | 86 102 | 67 102 | - | 45 768 | 33 551 | 12 217 | 36% | 67 102 |
| Financial position | | | | | | | | | |
| Total current assets | 82 922 | 79 307 | 79 307 | | 138 917 | | | | 79 307 |
| Total non current assets | 323 988 | 316 818 | 316 818 | | 329 188 | | | | 316 818 |
| Total current liabilities | 20 928 | 8 000 | 8 000 | | 73 843 | | | | 8 000 |
| Total non current liabilities | 3 614 | 1 366 | 1 366 | | 2 694 | | | | 1 366 |
| Community wealth/Equity | 382 367 | 419 845 | 386 760 | | 391 569 | | | | 386 760 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 48 650 | 85 450 | 85 450 | (16 958) | 60 483 | 90 313 | (29 850) | -33% | 85 450 |
| Net cash from (used) investing | (56 728) | (86 102) | (67 102) | (2 876) | (35 241) | (33 551) | (2 260) | 7% | (67 102) |
| Net cash from (used) financing | 1 431 | - | - | (48) | (1 044) | - | (1 044) | #DIV/0! | - |
| Cash/cash equivalents at the month/year end | 75 440 | 13 029 | 32 029 | - | 75 255 | 70 443 | 4 812 | 7% | 70 026 |
| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis | | | | | | | | | |
| Total By Revenue Source | 3 214 | 368 | 13 | 12 639 | 1 375 | - | - | - | 17 609 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 649 | (959) | (1 728) | (1 262) | (2 647) | (3 198) | (936) | (3 969) | (14 050) |

Revenue by Source

An annual budget is worth R5 million. The projected year to date revenue on property rates reflect an amount of R2,5 million. The actual year to date amount that has been billed reflect an amount of R6, 6 million, which means that the property rates were under-budgeted at an amount of R1, 6 million. We have billed more than the budget by 1, 6 million.

An annual budget is worth R200 thousand. The year to date revenue on service charges (refuse removal) reflect an amount of R100 000. The actual year to date that has been billed reflect an amount of R83 000, which means that the service charges were under-billed by R17 000.

The year to date revenue on the interest on investments reflect an amount of R2,5 million. The actual year to date that has been received reflect an amount of R2,4 million, which means that the municipality has received an amount that is less than the projected amount by R10 000. The municipality has actually received 96% of the total projected amount.

In relation to other income an amount of R11,8 million has been received in the past six months, and a bulk amount of R8 million is in relation to the Vat Recovery.

Operating Expenditure

- **Salaries and Wages**

An annual budget is worth R97,1 million. An amount of R50,1 million has been spent as compared to the year to date projections of R48,5 million. In the month of December there was an increase in the salaries of both the Senior Managers and Managers that was effected. Such increase was funded through the savings identified, although the actual expenditure incurred to date seems to be more than projected, it will be replenished through savings in the last six months. Also, the travelling claims have shown an increase, therefore departments will need to scrutinize the travelling claims and ensure that controls in relation to the claims are strengthened.

- **General Expenses**

An annual budget is worth R66,4 million. An amount of R33,5 million has been spent as compared to the year to date projections of R35,8 million. This is due to the slow expenditure patterns in the first quarter of the financial year

- **Repairs and Maintenance**

An annual budget is worth R16,8 million. An amount of R8.1 million has been spent as compared to the year to date projections of R8, 4 million. This is due to the early closure as a result of the December holidays, where few invoices were not submitted timeously to the municipality.

Capital Expenditure

- An annual budget is worth R86, 1 million. The year to date actual is expenditure is R58,6 million which is far than the year to date projected expenditure. This is due to the grant funded expenditure on MIG that improved in terms of spending.

1.3.6 Steps taken to address shortfall on operating revenue

- Reconciliation on the valuation roll against the actual billing has been performed to ensure accuracy.
- Registering authority has been granted, and it will start to operate at Ngqeleni satellite in the third quarter of the financial year.

1.3.7 STEPS TO BE TAKEN IN ADDRESSING THE OVER-EXPENDITURE

- Adherence to control procedures and avoidance of wasteful expenditure is critical in taking us forward.
- Adherence to the control procedures in budget and monitoring
- Adherence to the control procedures in cash flow management

1.3.8 Conclusion on the Mid-year Performance Assessment

- Based on the analysis above, an Adjustments budget is necessary to effect the changes in the estimates and bring in line the expenditure budget to the revenue that can be collected.

1.3.9 Proposed Adjustments Budget for 2014/2015 Financial Year

1.3.9.1 Introduction

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Municipal adjustments budgets

28. (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget-
- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal Finance Management Act, 2003 (56/2003): Municipal budget and reporting regulations 393 of 2009 stipulates as follows:-

Timeframes for tabling of adjustments budgets

23. (1) An adjustments budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

After approval of the Mid-year Assessment Report the Chief Financial Officer engaged with all the Departmental Heads to address the outcomes of the assessment report resulting in the proposed adjustments budget discussed below.

1.3.10 Revenue

1.3.10.1 Own Revenue

1. Own revenue will be adjusted upwards by an amount of R4300 000 which will be funded from our own reserves.

1.3.11 Grants and Subsidies

In relation to the Integrated National Electrification Programme, there is an amount of R4000 000 that was confirmed by Department of Energy. That amount of money will not be effected in our adjustment budget because it has not been gazetted as yet, until it is gazetted in the Division of Revenue Act, we will be able to effect it our adjustment budget.

Also, there were approved roll-overs for the following grants:

✓ INEG R 5536 998

✓ FMG R190 640

For the municipality to spend the approved roll over, such roll-overs would need to be populated in the adjusted budget.

1.3.12 Expenditure

1.3.12.1 Analysis of Expenditure

The objective is to give a comprehensive view of expenditures that have been affected during the adjustment budget period.

| EXPENDITURE CLASS | APPROVED BUDGET | INCREASE/(DECREASE) | ADJUSTED BUDGET |
|------------------------|-----------------|---------------------|-----------------|
| Salaries & Wages | R97 102 000 | Nil | R97 102 000 |
| General Expenses | R62 604 000 | R25 540 256 | R88 144 256 |
| Repairs & Maintenances | R16 846 000 | R3500 000 | R20 346 000 |
| Capital Expenditure | R86 102 000 | (19 000 000) | R67 102 000 |
| | | | |

GENERAL EXPENSES:

The line items that affected the adjustment budget are as follows:

| Description | Amount |
|--|-------------|
| FMG (roll over) | R190 640 |
| INEG(roll over) | R5 536 998 |
| LICENCE | R12 618 |
| PAVEMENT | R500 000 |
| INEG(moved from Capital to Operational) | R19 000 000 |
| Fencing | R300 000 |
| | R25 540 256 |

The above expenditures have been funded within the funds from each department. No additional revenue has been utilized.

REPAIRS AND MAINTAINANCE

The repairs and maintenance have been adjusted upwards and net effect is R3500 000, which is made up the following figures:

- R4000 000 (increase) ,that is funded from our own reserves
- R500 000 (decrease), that has been moved from repairs & maintenance, with the intention to fund the pavement on general expenditures.

CAPITAL EXPENDITURES

This has been adjusted downwards by an amount of R19 000 000 as a result of the classification of expenditure. Expenditure in relation to Electrification programme is classified as an operating expenditure.

1.4 BUDGET SCHEDULES

1.4.1 Table B 1 Adjustment Budget Summary

EC155 Nyandeni - Table B1 Adjustments Budget Summary -

| Description | Budget Year 2016/17 | | | | | | | | | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | A | A1 | B | C | D | E | F | G | H | | |
| R thousands | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | |
| Property rates | 5 005 | 5 005 | - | - | - | - | - | - | 5 005 | 5 305 | 5 624 |
| Service charges | 200 | 200 | - | - | - | - | - | - | 200 | 212 | 225 |
| Investment revenue | 5 000 | 5 000 | - | - | - | - | - | - | 5 000 | 5 300 | 5 618 |
| Transfers recognised - operational | 173 592 | 173 592 | - | - | - | - | 9 728 | 9 728 | 183 320 | 239 459 | 249 245 |
| Other cam revenue | 22 640 | 22 640 | - | - | - | - | 4 513 | 4 513 | 27 153 | 7 781 | 8 247 |
| Total Revenue (excluding capital transfers and contributions) | 206 547 | 206 547 | - | - | - | - | 14 049 | 14 049 | 220 597 | 258 057 | 266 561 |
| Employee costs | 80 928 | 80 928 | - | - | - | - | - | - | 80 928 | 86 107 | 91 619 |
| Remuneration of councillors | 16 174 | 16 174 | - | - | - | - | - | - | 16 174 | 17 299 | 18 310 |
| Depreciation & asset impairment | 34 553 | 34 553 | - | - | - | - | - | - | 34 553 | 38 244 | 41 916 |
| Finance charges | 105 | 105 | - | - | - | - | - | - | 105 | 112 | 119 |
| Materials and bulk purchases | 16 645 | 16 645 | - | - | - | - | 3 500 | 3 500 | 20 345 | 27 050 | 28 562 |
| Transfers and grants | 3 720 | 3 720 | - | - | - | - | - | - | 3 720 | 3 939 | 4 155 |
| Other expenditure | 65 455 | 65 455 | - | - | - | - | 92 641 | 92 641 | 158 135 | 180 479 | 184 268 |
| Total Expenditure | 218 666 | 218 666 | - | - | - | - | 96 141 | 96 141 | 315 097 | 333 141 | 363 949 |
| Surplus/(Deficit) | (12 319) | (12 319) | - | - | - | - | (82 101) | (82 101) | (94 429) | (75 083) | (107 388) |
| Transfers recognised - capital | 60 324 | 60 324 | - | - | - | - | (4 000) | (4 000) | 56 324 | 59 587 | 61 581 |
| Contributions recognised - capital & contributed | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 48 005 | 48 005 | - | - | - | - | (86 101) | (86 101) | (30 096) | (15 716) | (46 397) |
| Share of surplus/(deficit) of associate | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 48 005 | 48 005 | - | - | - | - | (86 101) | (86 101) | (30 096) | (15 716) | (46 397) |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 86 102 | 86 102 | - | - | - | - | (19 000) | (19 000) | 67 102 | 91 061 | 94 669 |
| Transfers recognised - capital | 86 102 | 86 102 | - | - | - | - | (19 000) | (19 000) | 67 102 | 91 061 | 94 669 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funds | 86 102 | 86 102 | - | - | - | - | (19 000) | (19 000) | 67 102 | 91 061 | 94 669 |
| Financial position | | | | | | | | | | | |
| Total current assets | 79 307 | 79 307 | - | - | - | - | - | - | 79 307 | 83 238 | 87 317 |
| Total non current assets | 316 819 | 316 819 | - | - | - | - | - | - | 316 819 | 363 259 | 443 234 |
| Total current liabilities | 8 000 | 8 000 | - | - | - | - | - | - | 8 000 | 7 500 | 6 600 |
| Total non current liabilities | 1 368 | 1 368 | - | - | - | - | - | - | 1 368 | 1 447 | 1 627 |
| Community wealth/Equity | 419 845 | 419 845 | - | - | - | - | (33 455) | (33 455) | 386 760 | 467 550 | 522 284 |
| Cash flow | | | | | | | | | | | |
| Net cash from (used) operating | 85 450 | 85 450 | - | - | - | - | - | - | 85 450 | 132 028 | 132 057 |
| Net cash from (used) investing | (68 102) | (68 102) | - | - | - | - | 19 000 | 19 000 | (67 102) | (91 061) | (94 669) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 13 029 | 13 029 | - | - | - | - | 19 000 | 19 000 | 32 029 | 93 996 | 91 894 |
| Cash backing/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | 72 826 | 72 826 | - | - | - | - | - | - | 72 826 | 76 375 | 80 136 |
| Application of cash and investments | 1 670 | 1 670 | - | - | - | - | (20) | (20) | 1 650 | (7 456) | (9 011) |
| Balance - surplus (shortfall) | 71 157 | 71 157 | - | - | - | - | 20 | 20 | 71 177 | 83 831 | 89 147 |
| Asset Management | | | | | | | | | | | |
| Asset register summary (NOL) | 379 451 | 379 451 | - | - | - | - | (19 000) | (19 000) | 360 451 | 397 325 | 425 652 |
| Depreciation & asset impairment | 34 553 | 34 553 | - | - | - | - | - | - | 34 553 | 38 244 | 41 916 |
| Renewal of Existing Assets | 26 102 | - | - | - | - | - | (88 102) | (88 102) | - | - | - |
| Repairs and Maintenance | 16 645 | 16 645 | - | - | - | - | 3 500 | 3 500 | 20 345 | 27 050 | 28 562 |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | 3 720 | 3 720 | - | - | - | - | - | - | 3 720 | 3 939 | 4 156 |
| Revenue cost of free services provided | 27 620 | 27 620 | - | - | - | - | - | - | 27 620 | 27 855 | 27 629 |
| Households below minimum service level | | | | | | | | | | | |
| Water | - | - | - | - | - | - | - | - | - | - | - |
| Sewerage | - | - | - | - | - | - | - | - | - | - | - |
| Energy | 4 | 4 | - | - | - | - | - | - | 4 | 4 | 4 |
| Refuse | - | - | - | - | - | - | - | - | - | - | - |

1.4.2 Table B2 Adjustment Budget Financial Performance by standard classification

EC155 Nyandeni - Table B2 Adjustments Budget Financial Performance (standard classification) -

| Standard Description | Ref | Budget Year 2014/15 | | | | | | | | | Budget Year | Budget Year |
|--|-------------|---------------------|------------------------------|---------------------------|---------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|-------------------------------|--------------------|--------------------|
| | | | | | | | | | | | #1 2015/16 | #2 2016/17 |
| | | Original Budget | Prior Adjusted S A1 | Accum. Funds 6 B | Multi year capital 7 C | Unfore- Unavoid 8 D | Nat or Prov. Govt 9 E | Other Adjusts. 10 F | Total Adjusts. 11 G | Adjusted Budget 12 H | Adjusted Budget | Adjusted Budget |
| R thousands | 1, 4 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue - Standard | | | | | | | | | | | | |
| Governance and administration | | 183 159 | 183 159 | - | - | - | - | 203 | 203 | 183 363 | 239 369 | 233 444 |
| Executive and council | | - | - | - | - | - | - | - | - | - | - | - |
| Budget and treasury office | | 182 659 | 182 659 | - | - | - | - | 203 | 203 | 182 863 | 239 369 | 233 444 |
| Corporate services | | 500 | 500 | - | - | - | - | - | - | 500 | - | - |
| Community and public safety | | 6 939 | 6 939 | - | - | - | - | 399 | 399 | 7 339 | 7 499 | 7 654 |
| Community and social services | | 440 | 440 | - | - | - | - | - | - | 440 | 455 | 454 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | | 6 550 | 6 550 | - | - | - | - | 300 | 300 | 6 850 | 6 945 | 7 360 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 57 531 | 57 531 | - | - | - | - | 4 669 | 4 669 | 61 531 | 59 499 | 62 629 |
| Planning and development | | 35 | 35 | - | - | - | - | - | - | 35 | 37 | 39 |
| Road transport | | 57 496 | 57 496 | - | - | - | - | 4 600 | 4 600 | 61 496 | 59 363 | 61 990 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 19 299 | 19 299 | - | - | - | - | 5 537 | 5 537 | 24 737 | 20 212 | 25 223 |
| Electricity | | 19 000 | 19 000 | - | - | - | - | 5 537 | 5 537 | 24 537 | 20 000 | 25 000 |
| Water | | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 200 | 200 | - | - | - | - | - | - | 200 | 212 | 225 |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue - Standard | 2 | 266 871 | 266 871 | - | - | - | - | 10 640 | 10 640 | 276 911 | 317 425 | 320 532 |
| Expenditure - Standard | | | | | | | | | | | | |
| Governance and administration | | 159 241 | 159 241 | - | - | - | - | 203 | 203 | 159 444 | 160 928 | 171 937 |
| Executive and council | | 54 434 | 54 434 | - | - | - | - | - | - | 54 434 | 57 611 | 61 309 |
| Budget and treasury office | | 67 175 | 67 175 | - | - | - | - | 203 | 203 | 67 378 | 72 804 | 78 491 |
| Corporate services | | 28 632 | 28 632 | - | - | - | - | - | - | 28 632 | 30 371 | 32 137 |
| Community and public safety | | 37 854 | 37 854 | - | - | - | - | 300 | 300 | 38 154 | 48 223 | 42 690 |
| Community and social services | | 34 622 | 34 622 | - | - | - | - | - | - | 34 622 | 38 801 | 39 037 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | | 1 922 | 1 922 | - | - | - | - | 300 | 300 | 2 222 | 2 035 | 2 147 |
| Housing | | 1 310 | 1 310 | - | - | - | - | - | - | 1 310 | 1 367 | 1 424 |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 96 344 | 96 344 | - | - | - | - | 4 600 | 4 600 | 100 544 | 130 524 | 127 824 |
| Planning and development | | 12 768 | 12 768 | - | - | - | - | - | - | 12 768 | 13 555 | 14 367 |
| Road transport | | 83 776 | 83 776 | - | - | - | - | 4 000 | 4 000 | 87 776 | 116 969 | 113 457 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 20 328 | 20 328 | - | - | - | - | 5 537 | 5 537 | 25 865 | 21 497 | 26 499 |
| Electricity | | 19 000 | 19 000 | - | - | - | - | 5 537 | 5 537 | 24 537 | 20 000 | 25 000 |
| Water | | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 1 328 | 1 328 | - | - | - | - | - | - | 1 328 | 1 407 | 1 490 |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Standard | 3 | 384 967 | 384 967 | - | - | - | - | 10 640 | 10 640 | 315 633 | 353 141 | 368 849 |
| Surplus/ (Deficit) for the year | | (38 096) | (38 096) | - | - | - | - | - | - | (38 096) | (35 717) | (48 317) |

1.4.3 Table B3 Adjustment Budget Financial Performance (revenue and expenditure by municipal vote)

EC155 Nyandeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

| EC155 Nyandeni - Tabla B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - | | | | | | | | | | | | Budget Year | Budget Year |
|--|-----|---------------------|-------------------|-----------------|-----------------------|-------------------------|-----------------------|------------------|------------------|--------------------|--------------------|--------------------|-------------|
| Vote Description (Insert departmental structure etc) | Ref | Budget Year 2010/15 | | | | | | | | | | +1 2015/16 | +2 2016/17 |
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfunded liabilities | Nat. or Prov. Govt | Other Adjusts | Total Adjusts | Adjusted Budget | Adjusted Budget | Adjusted Budget | |
| | | A | A1 | B | C | D | E | F | G | H | | | |
| R thousands | | | | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | | | | |
| Vote 1 - MUNICIPAL GOVERNANCE AND ADMINISTRATION | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - BUDGET AND TREASURY | | 182 650 | 182 650 | - | - | - | - | 203 | 203 | 182 853 | 230 553 | 233 444 | - |
| Vote 3 - CORPORATE SERVICES | | 500 | 500 | - | - | - | - | - | - | 500 | - | - | - |
| Vote 4 - COMMUNITY AND SOCIAL SERVICES | | 7 190 | 7 150 | - | - | - | - | 309 | 300 | 7 490 | 7 621 | 8 079 | - |
| Vote 5 - PLANNING AND DEVELOPMENT | | 35 | 35 | - | - | - | - | - | - | 35 | 37 | 59 | - |
| Vote 6 - INFRASTRUCTURE | | 76 456 | 76 456 | - | - | - | - | 9 537 | 9 537 | 86 033 | 79 353 | 88 950 | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 266 871 | 266 871 | - | - | - | - | 10 040 | 10 040 | 276 911 | 317 425 | 328 352 | - |
| Expenditure by Vote | 1 | | | | | | | | | | | | |
| Vote 1 - MUNICIPAL GOVERNANCE AND ADMINISTRATION | | 54 434 | 54 434 | - | - | - | - | - | - | 54 434 | 57 811 | 61 309 | - |
| Vote 2 - BUDGET AND TREASURY | | 67 175 | 67 175 | - | - | - | - | 203 | 203 | 67 378 | 72 804 | 78 491 | - |
| Vote 3 - CORPORATE SERVICES | | 28 632 | 28 632 | - | - | - | - | - | - | 28 632 | 30 371 | 32 137 | - |
| Vote 4 - COMMUNITY AND SOCIAL SERVICES | | 37 873 | 37 873 | - | - | - | - | 300 | 300 | 38 173 | 40 243 | 42 724 | - |
| Vote 5 - PLANNING AND DEVELOPMENT | | 14 078 | 14 078 | - | - | - | - | - | - | 14 078 | 14 642 | 15 831 | - |
| Vote 6 - INFRASTRUCTURE | | 102 776 | 102 776 | - | - | - | - | 9 537 | 9 537 | 112 313 | 136 569 | 138 457 | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 304 967 | 304 967 | - | - | - | - | 10 040 | 10 040 | 315 008 | 353 141 | 368 943 | - |
| Surplus (Deficit) for the year | 2 | (38 096) | (38 096) | - | - | - | - | - | - | (38 096) | (35 717) | (40 592) | - |

1.4.4 Table B4 Adjustment Budget Financial performance (revenue & expenditure)

EC155 Nyandeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | Budget Year 2014/15 | | | | | | | | | Budget Year #1 2015/16 | Budget Year #2 2016/17 |
|--|-----|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 5 005 | 5 005 | - | - | - | - | - | - | 5 005 | 5 305 | 5 624 |
| Property rates - rates & collection charges | | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - water revenue | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 2 | 200 | 200 | - | - | - | - | - | - | 200 | 212 | 225 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 165 | 165 | - | - | - | - | - | - | 165 | 175 | 185 |
| Interest earned - external investments | | 5 000 | 5 000 | - | - | - | - | - | - | 5 000 | 5 300 | 5 618 |
| Interest earned - outstanding debtors | | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | | - | - | - | - | - | - | - | - | - | 53 | 58 |
| Fines | | 50 | 50 | - | - | - | - | - | - | 50 | 650 | 7 303 |
| Licences and permits | | 6 500 | 6 500 | - | - | - | - | - | - | 6 500 | 6 850 | 7 303 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - operating | | 173 502 | 173 502 | - | - | - | - | 9 728 | 9 728 | 183 230 | 239 459 | 249 245 |
| Other revenue | 2 | 16 125 | 16 125 | - | - | - | - | 4 313 | 4 313 | 20 438 | 663 | 702 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 208 547 | 208 547 | - | - | - | - | 14 041 | 14 041 | 228 587 | 258 017 | 268 561 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 60 928 | 60 928 | - | - | - | - | - | - | 60 928 | 68 107 | 91 818 |
| Remunerations of councillors | | 16 174 | 16 174 | - | - | - | - | - | - | 16 174 | 17 209 | 18 310 |
| Debt impairment | | 3 500 | 3 500 | - | - | - | - | - | - | 3 500 | 3 707 | 3 910 |
| Depreciation & asset impairment | | 34 553 | 34 553 | - | - | - | - | - | - | 34 553 | 38 244 | 41 518 |
| Finance charges | | 105 | 105 | - | - | - | - | - | - | 105 | 112 | 118 |
| Bulk purchases | | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | | 16 845 | 16 845 | - | - | - | - | 3 500 | 3 500 | 20 345 | 27 050 | 28 562 |
| Contracted services | | 391 | 391 | - | - | - | - | - | - | 391 | 414 | 439 |
| Transfers and grants | | 3 720 | 3 720 | - | - | - | - | - | - | 3 720 | 3 939 | 4 156 |
| Other expenditure | | 62 604 | 62 604 | - | - | - | - | 52 641 | 52 641 | 155 245 | 176 359 | 179 916 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 218 868 | 218 868 | - | - | - | - | 56 141 | 56 141 | 315 097 | 353 141 | 368 949 |
| Surplus/(Deficit) | | (12 319) | (12 319) | - | - | - | - | (42 101) | (42 101) | (86 429) | (95 093) | (102 388) |
| Transfers recognised - capital | | 60 324 | 60 324 | - | - | - | - | (4 000) | (4 000) | 56 324 | 59 367 | 61 991 |
| Contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | | 48 005 | 48 005 | - | - | - | - | (66 101) | (66 101) | (38 096) | (38 716) | (40 397) |
| Taxation | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | 48 005 | 48 005 | - | - | - | - | (66 101) | (66 101) | (38 096) | (38 716) | (40 397) |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 48 005 | 48 005 | - | - | - | - | (66 101) | (66 101) | (38 096) | (38 716) | (40 397) |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | 48 005 | 48 005 | - | - | - | - | (66 101) | (66 101) | (38 096) | (38 716) | (40 397) |

1.4.5 Table B5 Adjustment Capital Expenditure Budget by Vote and Funding

EC155 Nyandeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

| Description | Ref | Budget Year 2016/17 | | | | | | | | | Budget Year #1 2015/16 | Budget Year #2 2016/17 |
|--|-----|-------------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------|-----------------------------|-------------------------------|---------------------------|---------------------------|
| | | Original Budget A | Prior Adjusted 5 A1 | Accum. Funds 6 B | Multi-year capital 7 C | Unfore. Unavoid. 8 D | Nat. or Prov. Govt 9 E | Other Adjusts 10 F | Total Adjusts 11 G | Adjusted Budget 12 H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | | |
| Multi-year expenditure to be adjusted | 2 | | | | | | | | | | | |
| Vote 1 - MUNICIPAL GOVERNANCE AND ADMINISTRATION | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - BUDGET AND TREASURY | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - COMMUNITY AND SOCIAL SERVICES | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - PLANNING AND DEVELOPMENT | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - INFRASTRUCTURE | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 3 | - | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure to be adjusted | 2 | | | | | | | | | | | |
| Vote 1 - MUNICIPAL GOVERNANCE AND ADMINISTRATION | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - BUDGET AND TREASURY | | 3 600 | 3 600 | - | - | - | - | - | - | 3 600 | 3 812 | 4 022 |
| Vote 3 - CORPORATE SERVICES | | 7 855 | 7 855 | - | - | - | - | - | - | 7 855 | 8 361 | 8 821 |
| Vote 4 - COMMUNITY AND SOCIAL SERVICES | | 685 | 685 | - | - | - | - | - | - | 685 | 725 | 765 |
| Vote 5 - PLANNING AND DEVELOPMENT | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - INFRASTRUCTURE | | 73 922 | 73 922 | - | - | - | - | (19 000) | (19 000) | 54 922 | 78 163 | 71 362 |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 86 182 | 86 182 | - | - | - | - | (19 000) | (19 000) | 67 182 | 91 661 | 84 969 |
| Total Capital Expenditure - Vote | | 86 182 | 86 182 | - | - | - | - | (19 000) | (19 000) | 67 182 | 91 661 | 84 969 |
| Capital Expenditure - Standard | | | | | | | | | | | | |
| Governance and administration | | 11 493 | 11 493 | - | - | - | - | - | - | 11 493 | 12 173 | 12 843 |
| Executive and council | | - | - | - | - | - | - | - | - | - | - | - |
| Budget and treasury office | | 3 600 | 3 600 | - | - | - | - | - | - | 3 600 | 3 812 | 4 022 |
| Corporate services | | 7 855 | 7 855 | - | - | - | - | - | - | 7 855 | 8 361 | 8 821 |
| Community and public safety | | 489 | 489 | - | - | - | - | 225 | 225 | 689 | 487 | 514 |
| Community and social services | | - | - | - | - | - | - | 225 | 225 | 225 | - | - |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | | 450 | 450 | - | - | - | - | - | - | 450 | 437 | 514 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | 54 922 | 78 162 | 71 362 |
| Economic and environmental services | | - | 54 922 | - | - | - | - | - | - | - | - | - |
| Planning and development | | - | - | - | - | - | - | - | - | 54 922 | 78 162 | 71 362 |
| Road transport | | - | 54 922 | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | - | 19 225 | - | - | - | - | (19 225) | (19 225) | - | 238 | 251 |
| Electricity | | - | 19 000 | - | - | - | - | (19 000) | (19 000) | - | - | - |
| Water | | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | - | 225 | - | - | - | - | (225) | (225) | - | 238 | 251 |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Standard | 3 | 11 955 | 86 182 | - | - | - | - | (19 000) | (19 000) | 67 182 | 91 668 | 84 969 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 56 324 | 56 324 | - | - | - | - | - | - | 56 324 | 59 368 | 61 950 |
| Provincial Government | | 4 000 | 4 000 | - | - | - | - | (4 000) | (4 000) | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| Over transfers and grants | | 25 778 | 25 778 | - | - | - | - | (15 000) | (15 000) | 10 778 | 31 693 | 22 979 |
| Total Capital transfers recognised | 4 | 86 182 | 86 182 | - | - | - | - | (19 000) | (19 000) | 67 182 | 91 661 | 84 969 |
| Public contributions & donations | | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Funding | | 86 182 | 86 182 | - | - | - | - | (19 000) | (19 000) | 67 182 | 91 661 | 84 969 |

1.4.6 Table B6 Adjustment Budget Financial Position

EC155 Nyandeni - Table B6 Adjustments Budget Financial Position -

| Description | Ref | Budget Year 2014/15 | | | | | | | | | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
|---|-----|-------------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|--------------------------------|----------------------------|-----------------------------|-------------------------------|---------------------------|---------------------------|
| | | Original Budget A | Prior Adjusted 3 A1 | Accum. Funds 4 B | Multi-year capital 5 C | Unfore. Unavoid. 6 D | Nat or Prov. Govt 7 E | Other Adjusts 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash | | 13 631 | 13 631 | | | | | | | 13 631 | 13 631 | 13 631 |
| Call investment deposits | 1 | 59 145 | 59 145 | | | | | | | 59 145 | 62 654 | 65 455 |
| Consumer debtors | 1 | 6 431 | 6 431 | | | | | | | 6 431 | 6 653 | 7 241 |
| Other debtors | | | | | | | | | | | | |
| Current portions of long-term receivables | | | | | | | | | | | | |
| Inventory | | | | | | | | | | | | |
| Total current assets | | 79 307 | 79 307 | | | | | | | 79 307 | 83 235 | 87 377 |
| Non current assets | | | | | | | | | | | | |
| Long-term receivables | | | | | | | | | | | | |
| Investments | | | | | | | | | | | | |
| Investment property | | 60 473 | 60 473 | | | | | | | 60 473 | 60 473 | 60 473 |
| Investment in Associate | | | | | | | | | | | | |
| Property, plant and equipment | 1 | 255 535 | 255 535 | | | | | | | 255 535 | 332 765 | 332 760 |
| Agricultural | | | | | | | | | | | | |
| Biological | | | | | | | | | | | | |
| Intangible | | 809 | 809 | | | | | | | 809 | | |
| Other non-current assets | | | | | | | | | | | | |
| Total non current assets | | 316 819 | 316 819 | | | | | | | 316 819 | 395 239 | 443 234 |
| TOTAL ASSETS | | 396 126 | 396 126 | | | | | | | 396 126 | 478 477 | 530 611 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | | | | | | | | | | | | |
| Borrowing | | | | | | | | | | | | |
| Consumer deposits | | | | | | | | | | | | |
| Trade and other payables | | 8 000 | 8 000 | | | | | | | 8 000 | 7 500 | 6 800 |
| Provisions | | | | | | | | | | | | |
| Total current liabilities | | 8 000 | 8 000 | | | | | | | 8 000 | 7 500 | 6 800 |
| Non current liabilities | | | | | | | | | | | | |
| Borrowing | 1 | 1 142 | 1 142 | | | | | | | 1 142 | 1 209 | 1 276 |
| Provisions | 1 | 225 | 225 | | | | | | | 225 | 236 | 251 |
| Total non current liabilities | | 1 366 | 1 366 | | | | | | | 1 366 | 1 447 | 1 527 |
| TOTAL LIABILITIES | | 9 366 | 9 366 | | | | | | | 9 366 | 8 947 | 8 327 |
| NET ASSETS | 2 | 386 760 | 386 760 | | | | | | | 386 760 | 467 530 | 522 284 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 424 845 | 424 845 | | | | | (37 335) | (37 335) | 387 460 | 467 550 | 522 284 |
| Reserves | | 15 000 | 15 000 | | | | | 4 300 | 4 300 | 19 300 | | |
| TOTAL COMMUNITY WEALTH/EQUITY | | 419 845 | 419 845 | | | | | (33 035) | (33 035) | 366 760 | 467 550 | 522 284 |

1.4.7 Table B7 Adjustment Budget Cash Flow

EC155 Nyandeni - Table B7 Adjustments Budget Cash Flows -

| EC155 Hyandeni - Table B7 Adjustments Budget Cash Flows - | | | | | | | | | | | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
|---|-----|-------------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------|-----------------------------|-------------------------------|---------------------------|---------------------------|
| Description | Ref | Budget Year 2014/15 | | | | | | | | | Adjusted Budget | Adjusted Budget |
| | | Original Budget A | Prior Adjusted 3 A1 | Accum. Funds 4 B | Multi-year capital 5 C | Unfore. Unavoid. 6 D | Nat. or Prov. Govt 7 E | Other Adjusts. 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | | |
| R thousands | | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | 4 313 | 4 313 | 31 708 | 29 035 | 30 779 |
| Ratepayers and other | 1 | 27 333 | 27 333 | | | | | 9 728 | 9 728 | 183 235 | 239 459 | 245 843 |
| Government - operating | 1 | 173 502 | 173 502 | | | | | (4 000) | (4 000) | 56 324 | 59 368 | 61 595 |
| Government - capital | | 60 324 | 60 324 | | | | | | | 5 000 | 5 255 | 5 586 |
| Interest | | 5 000 | 5 000 | | | | | | | | | |
| Dividends | | | | | | | | | | | | |
| Payments | | | | | | | | (10 040) | (10 040) | (150 704) | (201 618) | (213 028) |
| Suppliers and employees | | (160 664) | (160 664) | | | | | | | | | |
| Finance charges | | (109) | (109) | | | | | | | (109) | (112) | (114) |
| Transfers and Grants | 1 | | | | | | | | | | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 85 459 | 85 459 | - | - | - | - | - | - | 85 459 | 132 428 | 132 657 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | | | - | - | - |
| Decrease (increase) in non-current debtors | | | | | | | | | | - | - | - |
| Decrease (increase) other non-current receivables | | | | | | | | | | - | - | - |
| Decrease (increase) in non-current investments | | | | | | | | | | - | - | - |
| Payments | | | | | | | | 19 000 | 19 000 | (67 102) | (61 661) | (64 969) |
| Capital assets | | (66 102) | (66 102) | | | | | | | | | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (66 102) | (66 102) | - | - | - | - | 19 000 | 19 000 | (67 102) | (61 661) | (64 969) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | | | | | | | | | - | - | - |
| Borrowing long term/relending | | | | | | | | | | - | - | - |
| Increase (decrease) in consumer deposits | | | | | | | | | | - | - | - |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | | | | | | | | | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (632) | (632) | - | - | - | - | 19 000 | 19 000 | 18 348 | 48 967 | 47 688 |
| Cash/cash equivalents at the year begin: | 2 | 13 681 | 13 681 | | | | | | | 13 681 | 13 029 | 33 969 |
| Cash/cash equivalents at the year end: | 2 | 13 029 | 13 029 | | | | | 19 000 | | 32 029 | 53 996 | 61 024 |

1.4.8 Table B8 Cash Backed Reserves Accumulated surplus reconciliation

EC155 Nyandeni - Table B8 Cash backed reserves/accumulated surplus reconciliation -

| Description | Ref | Budget Year 2014/15 | | | | | | | | | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
|---|-----|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|------------------------|--------------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted 3 | Accum. Funds 4 | Multi-year capital 5 | Unfore. Unavoid. 6 | Nat. or Prov. Govt 7 | Other Adjusts. 8 | Total Adjusts. 9 | Adjusted Budget 10 | Adjusted Budget | Adjusted Budget |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Cash and Investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 13 029 | 13 023 | - | - | - | - | 19 000 | 19 000 | 32 029 | 53 556 | 81 034 |
| Other current investments > 90 days | | 59 753 | 59 753 | - | - | - | - | (19 000) | (19 000) | 40 753 | 22 379 | (345) |
| Non current assets - investments | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Cash and Investments available: | | 72 826 | 72 826 | - | - | - | - | - | - | 72 826 | 76 375 | 80 138 |
| Applications of cash and Investments | | | | | | | | | | | | |
| Unspent conditional transfers | | - | - | - | - | - | - | - | - | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | | - | - | - | - | - | - | - | - | - | - | - |
| Other working capital requirements | 2 | 1 670 | 1 670 | - | - | - | - | (20) | (20) | 1 650 | (7 426) | (9 011) |
| Other provisions | | - | - | - | - | - | - | - | - | - | - | - |
| Long term investments committed | | - | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | | - | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and Investments: | | 1 670 | 1 670 | - | - | - | - | (20) | (20) | 1 650 | (7 426) | (9 011) |
| Surplus(shortfall) | | 71 157 | 71 157 | - | - | - | - | 20 | 20 | 71 177 | 83 801 | 89 147 |

1.4.9 Table B9 Asset Management

EC155 Nyandeni - Table B9 Asset Management -

| EC153 Rydamen - Table B9 Asset Management | | | | | | | | | | | | |
|---|-----|---------------------|------------------------|----------------------|----------------------------|----------------------------|-----------------------------|-------------------------|-------------------------|--------------------------|--------------------|--------------------|
| Description | Ref | Budget Year 2014/15 | | | | | | | | | Budget Year | Budget Year |
| | | | | | | | | | | | v1 2015/16 | v2 2016/17 |
| | | Original Budget | Prior Adjusted 7 | Accum. Funds 8 | Multi-year capital 9 | Unform. Unavaild. 10 | Nat. or Prov. Govt 11 | Other Adjusts. 12 | Total Adjusts. 13 | Adjusted Budget 14 | Adjusted Budget | Adjusted Budget |
| A | A1 | B | C | D | E | F | G | H | | | | |
| R thousands | | | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | | | |
| Total New Assets to be adjusted | 1 | 68 102 | 68 102 | - | - | - | - | (19 000) | (19 000) | 67 102 | 81 661 | 84 969 |
| Infrastructure - Road transport | | 54 422 | 54 422 | - | - | - | - | - | - | 54 422 | 77 633 | 70 603 |
| Infrastructure - Electricity | | 19 000 | 19 000 | - | - | - | - | (19 000) | (19 000) | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | 225 | 225 | - | - | - | - | (225) | (225) | - | 233 | 251 |
| Infrastructure | | 73 647 | 73 647 | - | - | - | - | (19 225) | (19 225) | 54 422 | 77 871 | 71 054 |
| Community | | - | - | - | - | - | - | 225 | 225 | 225 | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | 11 555 | 11 555 | - | - | - | - | - | - | 11 555 | 12 661 | 13 356 |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - | - | - |
| Intangibles | | 500 | 500 | - | - | - | - | - | - | 500 | 530 | 559 |
| Total Renewal of Existing Assets to be adjusted | 2 | 68 102 | - | - | - | - | - | (64 100) | (64 100) | - | - | - |
| Infrastructure - Road transport | | 54 422 | - | - | - | - | - | (54 422) | (54 422) | - | - | - |
| Infrastructure - Electricity | | 19 000 | - | - | - | - | - | (19 000) | (19 000) | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | 225 | - | - | - | - | - | (225) | (225) | - | - | - |
| Infrastructure | | 73 647 | - | - | - | - | - | (73 647) | (73 647) | - | - | - |
| Community | | - | - | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | 11 555 | - | - | - | - | - | (11 555) | (11 555) | - | - | - |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - | - | - |
| Intangibles | | 500 | - | - | - | - | - | (500) | (500) | - | - | - |
| Total Capital Expenditure to be adjusted | 4 | 105 844 | 54 422 | - | - | - | - | (54 422) | (54 422) | 0 | 77 633 | 70 603 |
| Infrastructure - Road transport | | 33 000 | 19 000 | - | - | - | - | (33 000) | (33 000) | (19 000) | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | 443 | 225 | - | - | - | - | (443) | (443) | (225) | 233 | 251 |
| Infrastructure | | 147 293 | 73 647 | - | - | - | - | (92 871) | (92 871) | (19 224) | 77 871 | 71 054 |
| Community | | - | - | - | - | - | - | 225 | 225 | 225 | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | 23 510 | 11 555 | - | - | - | - | (11 555) | (11 555) | - | 12 661 | 13 356 |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - | - | - |
| Intangibles | | 1 000 | 500 | - | - | - | - | (500) | (500) | - | 530 | 559 |
| TOTAL CAPITAL EXPENDITURE to be adjusted | 2 | 122 203 | 68 102 | - | - | - | - | (185 102) | (185 102) | (19 000) | 91 661 | 84 969 |
| ASSET REGISTER SUMMARY - PPE (VDV) | | | | | | | | | | | | |
| Infrastructure - Road transport | 5 | 247 532 | 247 532 | - | - | - | - | - | - | 247 532 | 282 136 | 307 653 |
| Infrastructure - Electricity | | 19 000 | 19 000 | - | - | - | - | (19 000) | (19 000) | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 266 532 | 266 532 | - | - | - | - | (19 000) | (19 000) | 247 532 | 282 136 | 307 653 |
| Community | | 4 092 | 4 092 | - | - | - | - | - | - | 4 092 | 4 334 | 4 572 |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | 60 473 | 60 473 | - | - | - | - | - | - | 60 473 | 60 473 | 60 473 |
| Other assets | | 47 575 | 47 575 | - | - | - | - | - | - | 47 575 | 50 382 | 53 153 |
| Intangibles | | 809 | 809 | - | - | - | - | - | - | 809 | - | - |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSET REGISTER SUMMARY - PPE (VDV) | 5 | 379 481 | 379 481 | - | - | - | - | (19 000) | (19 000) | 360 481 | 397 325 | 423 832 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | | |
| Depreciation & asset impairment | 3 | 34 558 | 34 558 | - | - | - | - | - | - | 34 558 | 38 244 | 41 916 |
| Repairs and Maintenance by asset class | | 16 846 | 16 846 | - | - | - | - | 3 500 | 3 500 | 28 346 | 27 658 | 28 562 |
| Infrastructure - Road transport | | 14 374 | 14 374 | - | - | - | - | 3 500 | 3 500 | 17 874 | 24 432 | 25 600 |
| Infrastructure - Electricity | | 500 | 500 | - | - | - | - | - | - | 500 | 533 | 559 |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 14 874 | 14 874 | - | - | - | - | 3 500 | 3 500 | 18 374 | 24 962 | 26 159 |
| Community | | 162 | 162 | - | - | - | - | - | - | 162 | 172 | 181 |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | 1 810 | 1 810 | - | - | - | - | - | - | 1 810 | 1 917 | 2 022 |
| TOTAL EXPENDITURE OTHER ITEMS to be adjusted | | 51 444 | 51 444 | - | - | - | - | 3 500 | 3 500 | 54 844 | 63 294 | 70 413 |

2.9 Municipal Manager's Quality Certification

I NDMALINGELO NOMANDELA, Municipal Manager of the Nyandeni Local Municipality hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature



Mrs N. Nomandela
Municipal Manager
Nyandeni Local Municipality

Date

23/01/2015